



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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February 17, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **FINANCIAL/COMPLIANCE AUDITS OF 2007-08 COUNTYWIDE STATE GRANTS**

The Chief Executive Office, District Attorney's Office (DA), Public Defender's Office, Probation Department, Department of Public Works, Sheriff's Department and the Countywide Criminal Justice Coordination Committee (CCJCC) receive grants from the State Office of Emergency Services and other State agencies. These grants require financial/compliance audits to ensure that State funding is used in accordance with applicable laws, regulations, policies and procedures.

Through our Master Agreement, we contracted with an independent Certified Public Accounting firm, Mayer Hoffman McCann P.C. (MHM), for the required financial/compliance audits of Countywide State grant programs. MHM audited 37 grant programs listed in Attachment A.

MHM reported their findings to the departments and copies of the reports have been sent to the appropriate State agencies. Of the total claimed costs of \$38,691,294, the reports identified questioned costs and disallowed costs totaling \$218,560. Of the total questioned costs, \$198,055 are a result of the DA incorrectly charging indirect costs and claiming the incorrect employee benefits rate. The DA claimed employee benefits based on an estimated rate of 50%. The DA's actual approved rate for employee benefits was 44.522%. The actual rate was not used in the Report of Expenditures for the audited programs because the DA did not receive the approved rate in time to include in their expenditure reporting. Therefore, to remedy the over-claimed amount, the State agreed to reduce the respective contract amounts for the following grant year.

In addition, the CCJCC had a total of \$20,505 in disallowed costs. This was a result of the grantor agency requesting an estimated projection of expenditures prior to the end of the grant program and when CCJCC reconciled the actual and estimated costs, the amount was overstated by \$20,505. This disallowed cost was paid back to the State.

The auditors did not identify any internal control issues but did identify some compliance weaknesses that are not considered material. The impacted departments indicated they will take action to address the areas noted in the audit reports.

Due to the number of audit reports, copies of individual reports are not enclosed but can be made available for your review if necessary. Please call me if you have any questions, or your staff may call Koke Resler at (213) 974-8307 if you wish to review any reports.

WLW:MMO:JET:KZR:RC:MD:ic

Attachment

c: William T Fujioka, Chief Executive Officer
Steve Cooley, District Attorney
Leroy D. Baca, Sheriff
Michael P. Judge, Public Defender
Robert B. Taylor, Chief Probation Officer
Gail Farber, Director, Department of Public Works
Mark Delgado, Executive Director, Countywide Criminal Justice Coordination
Committee
Sachi A. Hamai, Executive Officer, Board of Supervisors
Public Information Office
Audit Committee

LOS ANGELES COUNTY

2007-08 COUNTYWIDE STATE GRANTS FINANCIAL/COMPLIANCE AUDITS

	DEPARTMENT	STATE GRANTOR AGENCY	GRANT NUMBER	GRANT PROGRAM	AUDIT PERIOD	CONTRACT AMOUNT AUDITED
1	Countywide Criminal Justice Coordination Committee	Office of Emergency Services	C06.441	IPG/Women's Reentry Court	February 1, 2007 - June 30, 2009	\$1,061,675.00
					Subtotal	\$1,061,675.00
2	Chief Executive Office	California Department of Education	CLPC-7018	Local Planning Council	July 1, 2007 - June 30, 2008	\$414,163.00
3	Chief Executive Office	California Department of Education	CRET-5017	Investing in Early Educators	July 1, 2007 - June 30, 2008	\$3,414,612.00
4	Chief Executive Office	California Department of Education	CCEL-7019	Centralized Eligibility List	July 1, 2007 - June 30, 2008	\$520,152.00
5	Chief Executive Office	California Department of Education	CDRT -7017	Child Care Staff Retention	July 1, 2007 - June 30, 2008	\$3,893,320.00
					Subtotal	\$8,242,247.00
6	District Attorney	Department of Insurance	N/A	Automobile Insurance Fund	July 1, 2007 - June 30, 2008	\$4,260,510.00
7	District Attorney	Department of Insurance	N/A	Urban 1050	July 1, 2007 - June 30, 2008	\$2,823,803.00
8	District Attorney	Department of Insurance	N/A	Workers' Compensation Insurance Fraud (WCIF)	July 1, 2007 - June 30, 2008	\$4,752,360.00
9	District Attorney	Department of Insurance	N/A	Disability and Health Insurance Fraud Program (DHIF)	July 1, 2007 - June 30, 2008	\$906,328.00
10	District Attorney	Department of Insurance	N/A	Life and Annuity Consumer Protection Program (LACPP)	July 1, 2007 - June 30, 2008	\$164,858.00
11	District Attorney	Office of Emergency Services	VB07050190	Major Narcotic Vendors & Elder Abuse Vertical Prosecution	July 1, 2007 - June 30, 2008	\$1,376,614.00
12	District Attorney	Office of Emergency Services	PA06010190	Parole Advocacy Program (PAP)	July 1, 2007 - June 30, 2008	\$287,402.00
13	District Attorney	Department of Justice	07SA14A010	Spousal Abuser Prosecution Program (SAPP)	July 1, 2007 - June 30, 2008	\$229,676.00
14	District Attorney	Department of Justice	CSA 327-06	Act Long Beach/Paramount	July 1, 2006 - July 31, 2007	\$200,000.00
15	District Attorney	Department of Justice	DC07B80190	ClearingHouse Electronic Surveillance System (CHESS)	July 1, 2007 - June 30, 2008	\$353,955.00
16	District Attorney	Department of Justice	EA 06070190	Elder Abuse Advocacy & Outreach Program	July 1 2007 - September 30, 2007	\$60,302.00
17	District Attorney	Department of Justice	EA 07080190	Elder Abuse Advocacy & Outreach Program	October 1, 2007 - June 30, 2008	\$131,925.00
18	District Attorney	Department of Justice	CSA 183-07	Juvenile Offender's Intervention Network (JOIN)	July 1, 2007 - June 30, 2008	\$251,243.00
19	District Attorney	Department of Justice	SE07170190	Special Emphasis Victim Assistance	July 1, 2007 - June 30, 2008	\$137,500.00
20	District Attorney	Department of Justice	VV07030190	Stalking and Threat Assessment Team	July 1, 2007 - June 30, 2008	\$240,000.00
21	District Attorney	Department of Justice	VW07260190	Victim Witness Assistance Program	July 1, 2007 - June 30, 2008	\$3,423,490.00
22	District Attorney	Department of Justice	AG06010190	Project Safe Neighborhoods (PSN) Vertical Prosecution	July 1, 2007 - April 30, 2008	\$122,441.00
23	District Attorney	Department of Justice	US07D30190	PSN Gun Resource Prosecutor	October 1, 2007 - June 30, 2008	\$131,199.00
24	District Attorney	Department of Justice	UL06B10190	Six Cities CLEAR	April 1, 2007 - June 30, 2008	\$116,634.00
					Subtotal	\$19,970,240.00

LOS ANGELES COUNTY
2007-08 COUNTYWIDE STATE GRANTS FINANCIAL/COMPLIANCE AUDITS

Attachment A

	DEPARTMENT	STATE GRANTOR AGENCY	GRANT NUMBER	GRANT PROGRAM	AUDIT PERIOD	CONTRACT AMOUNT AUDITED
25	Probation Department	Office of Emergency Services	US07P30190	Project Safe Neighborhoods (PSN)	October 1, 2007 - September 30, 2008	\$137,000.00
26	Probation Department	Office of Emergency Services	AG07B10190	Anti-Gang Initiative	October 1, 2007 - September 30, 2008	\$137,500.00
					Subtotal	\$274,500.00
27	Public Defender's Office	Corrections Standards Authority	CSA 161-07	Juvenile Accountability Incentive Block Grant (JABG)	July 1, 2007 - June 30, 2008	\$531,358.00
					Subtotal	\$531,358.00
28	Department of Public Works	Department of Transportation	RPSTPL-5953(368)	Near Palmdale on S Crossing Sierra (Grade Separation)	August 1, 2004 - December 30, 2005	\$336,000.00
					Subtotal	\$336,000.00
29	Sheriff's Department	Office of Emergency Services	HT07080190	Southern California High Tech Crime Task Force	July 1, 2007 - June 30, 2008	\$2,434,576.00
30	Sheriff's Department	Office of Emergency Services	HD7070190	Southern California High Tech Task Force - Identity Theft Detail	July 1, 2007 - June 30, 2008	\$702,379.00
31	Sheriff's Department	Office of Emergency Services	LE06040190	Lancaster Domestic Violence	July 1, 2007 - December 31, 2007	\$55,480.00
32	Sheriff's Department	Office of Emergency Services	GV07030190	Gang Violence Suppression Program - Lancaster	July 1, 2007 - June 30, 2008	\$538,582.00
33	Sheriff's Department	Office of Emergency Services	SF06010190	Los County Regional Sexual Assault Felony Enforcement Team	July 1, 2007 - December 31, 2007	\$682,554.00
34	Sheriff's Department	Office of Emergency Services	SF07020190	Los County Regional Sexual Assault Felony Enforcement Team	July 1, 2007 - December 31, 2008	\$1,199,000.00
35	Sheriff's Department	Office of Emergency Services	MH06010190	California Multi-jurisdictional Methamphetamine Enforcement Team	July 1, 2007 - December 31, 2007	\$897,968.00
36	Sheriff's Department	Office of Emergency Services	MH07020190	California Multi-jurisdictional Methamphetamine Enforcement Team	July 1 2007 - September 30, 2008	\$1,664,735.00
37	Sheriff's Department	Office of Emergency Services	C06.435	Intergovernmental Partnership (IGP) Grant Program	February 1, 2007 - December 30, 2008	\$100,000.00
					Subtotal	\$8,275,274.00
					TOTAL	\$38,691,294.00